



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 P. O. Box 3469
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

PAKA UA CONDOMINIUM

Kalihiwai, Hanalei,
 Kauai, Hawaii

Registration No. 2013

Issued: August 6, 1991
 Expires: September 6, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 12, 19 91, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully. This report also includes information submitted by the Kauai County Planning Department dated February 6, 1989.
Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued
 - Supersedes all prior public reports
 - Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated _____
 - Supp. Public Report dated _____

And Supersedes all prior public reports

Must be read together with _____

This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[] No prior reports have been issued by the Commission.

[X] Changes made are as follows: See page 2-a.

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*****
*   SPECIAL NOTICE:   *
*   *                 *
*   THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF *
*   RESIDENTIAL DWELLING UNITS, OR OTHER STRUCTURES, *
*   WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, *
*   UNLESS THE PURCHASER IS PURCHASING AN EXISTING *
*   RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT *
*   THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL *
*   DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO *
*   ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT *
*   AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDEN- *
*   TIAL USE. THE PURCHASER SHOULD CONSULT WITH THE *
*   APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE *
*   PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, *
*   OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY. *
*   *                 *
*   1. This Public Report does not constitute an *
*   approval of the project nor that all County *
*   Codes, Ordinances and subdivision requirements *
*   have been complied with. *
*   *                 *
*   2. This project does not involve the sale of *
*   individual subdivided lots. The dotted lines *
*   on the Condominium Map (Exhibit A) are for *
*   illustration purposes only. *
*   *                 *
*   3. Facilities and improvements normally associated *
*   with County approved subdivisions may not *
*   necessarily be provided for and services such as *
*   County street maintenance, enhanced water *
*   facilities, fire service, related services and *
*   trash collection will not be available for *
*   interior roads. *
*   *                 *
*   4. Read Exhibit I (Letter from County of Kauai) *
*   with care. *
*   *                 *
*   THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY *
*   REVIEW THE DOCUMENTS FOR FURTHER INFORMATION WITH *
*   REGARD TO THE FOREGOING. *
*   *                 *
*****
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CHANGES FROM PRELIMINARY TO FINAL PUBLIC REPORT:

<u>Page</u>	<u>Description of Changes</u>
1.....	Change of Report from Preliminary to Final.
2.....	Special Notice Box changed to include more information
2a.....	Page added to clarify changes.
3.....	Exhibit Titles Changed for A through J.
5.....	Storage shed sizes changed to reflect what is built on the property.
6.....	Developer name and address is changed.
7.....	Inserts recording information for condominium documents.
10.....	Fee Owners have changed.
11.....	No Protective Covenants as Exhibit D.
12.....	Descriptions clarified in "Boundaries of Each Apartment".
15.....	Title Report updated; self-managed by Apartment Owners.
16.....	Exhibit H now contains schedule of maintenance fees.
17.....	Construction status changed to show completion of improvements; Escrow Agreement updated; Exhibits of Sales documents changed.
18.....	New page replaces old page 18; the substance of old page 18 is kept in the first four paragraphs of new page 18; a paragraph is added at the bottom of 18 explaining how a unit owner must engage in agriculture before being allowed to build a residence. Page 18 advises review of the Kauai County Planning Department letter, Exhibit I, and that land use rules may change over time, possibly thwarting expectations.
	Exhibit B - changed to Summary of Sales Contract
	Exhibit C - changed shed size and percent of common interest
	Exhibit D - changed to Summary of Escrow Agreement
	Exhibit E - no change
	Exhibit F - updated information used
	Exhibit G - changed to the Disclosure Abstract
	Exhibit H - changed to the Maintenance Fees
	Exhibit I - Letter from the County of Kauai

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial Ohana
 Mixed Residential and Commercial Agricultural
 Other Agricultural and Residential

3. High Rise (5 stories or more) Low Rise

4. Single or Multiple Buildings

5. Apartment Description

Apt. NO.	Quantity	BR/Bath	Net Living Area (sf)*	Storage Shed(s) , Lahai/Patio (sf)
1	1	0/0	0	64
2	1	0/0	0	64
3	1	0/0	0	64
4	1	0/0	0	64
5	1	0/0	0	64

Total Apartments: 5

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>0</u> at this time.
Guest Stalls	<u> </u>
Unassigned Stalls	<u> </u>
Extra Stalls Available for Purchase	<u> </u>
Other: <u> </u>	<u> </u>
Total Parking Stalls	<u>0</u>

However, there will be at least two stalls per apartment if and when dwellings are built.

7. Recreational amenities:

NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: NEAL NORMAN
Name
P.O. Box 607
Business Address
Hanalei, HI 96714

Phone: (808) 826-9622
(Business)

Names of officers or general partners of developers who are corporations or partnerships:

Real Estate Broker: HANALEI NORTH SHORE PROPERTIES
Name NEAL NORMAN
P.O. Box 607
Business Address
Hanalei, HI 96714

Phone: (808) 826-9622
(Business)

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
4414 Kukui Grove Street, Suite 104
Business Address
Lihue, HI 96766

Phone: (808) 245-3381
(Business)

General Contractor: N/A
Name
Business Address

Phone: _____
(Business)

Condominium Managing Agent: Self-managed by Association of
Name Apartment Owners
Business Address

Phone: _____
(Business)

Attorney for Developer: STEVEN R. LEE
Name
2959 Umi Street, Suite 300
Business Address
Lihue, HI 96766

Phone: (808) 246-1101
(Business)

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances - Document No. 91-061853
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyance Condo Map No. 1496
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances - Document No. 91-061853
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>NONE</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 - Cancelled
 - Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: Kalihiwai Ridge Subdivision Tax Map Key: (4) 5-2-17:20
Kalihiwai, Hanalei, Kauai, Hawaii (TMK)

Address TMK is expected to change because each unit not yet assigned an address.

Land Area: 17.905 square feet acre(s) Zoning: Agricultural

Fee Owner: PETER NICKERTZ, MELANIE NICKERTZ, ROY H. WILBURN, JR., KATHLEEN
Name C. WILBURN, KEVIN MATTHEW PULIATCH, KAREN BACON PULIATCH,
ALBERT CAMERON BLAYLOCK, SUSAN JANE BLAYLOCK, JAMES LUSKE,
MELODIE LUSKE

Address
P.O. Box 607
Hanalei, HI 96714 (808) 826-9622

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

- 1. New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Buildings: 5 Floors Per Building 1

Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input type="checkbox"/> Residential	_____	_____	<input checked="" type="checkbox"/> Agricultural	<u>5</u>	<u>Agricultural</u>
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: <u>Please see page 18 for further explanation.</u>					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

Yes No

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

Pets: Declaration of Protective Covenants, Conditions and Restrictions may apply.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 0 Trash Chutes 0

<u>Apt. No. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Storage Shed(s), Lanai/Patio (sf)</u>
<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
<u>5</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>64</u>
_____	_____	_____	_____	_____

Total Apartments: 5

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

See Exhibit A.

Permitted Alterations to Apartments:

As allowed by Kauai County zoning ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime and the Condominium Map (Exhibit A) will be required to disclose actual improvements as a matter of public record.

7. Parking Stalls:

Total Parking Stalls: 0 at this time.

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	_____	_____	_____	_____	_____	_____	<u>0</u>
Guest Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra Available for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total	_____	_____	_____	_____	_____	_____	_____
Covered & Open	<u>0</u>	_____	_____	_____	_____	_____	_____

However, each apartment will have the exclusive use of at least two (2) parking stall(s) if and when Buyers are encouraged to find out which stall(s) will be available for their use. dwellings are built.

Commercial parking garage permitted in condominium project.

Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

9. Present Condition of Improvements
 (For conversions of residential apartments in existence for at least five years): N/A

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. **Common Elements:** Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit E describes the common elements.

As follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit E

as follows:

The portion of land set aside for the use of each owner of a unit as set forth in Exhibit A, subject to the roadway and utility easement, if any.

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit C describes the common interests for each apartment.

As follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit F describes the encumbrances against the title contained in the title report dated June 13, 1991 and issued by T.I. of Hawaii, Inc.

Developer represents that since that date there have been no further encumbrances.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
MORTGAGE	If foreclosed, Buyer's deposit will be refunded and contract will be cancelled.

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit H contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

Other _____

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

NONE

2. Appliances:

NONE

J. **Status of Construction and Estimated Completion Date:**

All construction is now complete.

K. **Project Phases:**

The developer has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

NONE

L. **Sales Documents Filed With the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit B contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated April 29, 1991

Exhibit D contains a summary of the pertinent provisions of the escrow contract.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

This is a condominium project, not a subdivision. Therefore, units purchased are not subdivided lots. If a residence is not already built, you will be required to comply with zoning codes to be allowed to construct a residence on your limited common element. To determine whether your expectations can be realized, you should carefully review this Report.

You should also conduct your own investigations and ascertain the validity of information provided. Please remember that issuance of this Report does not mean the Real Estate Commission has approved the project.

The County of Kauai Planning Department has advised that, in order to process the necessary permits for the construction and the processing of a farm dwelling agreement on agriculturally zoned parcels, authorization from at least 75% of the legal and equitable ownership of the entire project shall be required, consistent with the Declaration of Condominium Property Regime and the Bylaws. Except as limited specifically by the project documents of record, (including the Declaration of Protective Covenants, Conditions and Restrictions for Kalihiwai Ridge Subdivision) all uses permitted in the Agricultural Zone are permitted. Such uses include, but are not limited to growing crops, raising animals, residence, diversified agriculture, forestry, orchards and nurseries and wildlife management. See Kauai County Comprehensive Zoning Ordinance, Article 8.7. In relation to specifically permitted uses of buildings and other improvements, structures shall only be occupied or used for agriculture, associated residential uses, and/or other uses permitted by law and the recorded project documents. An agricultural residence may not be constructed unless the Unit Owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval.

Please see the advisory letter from the Kauai County Planning Department attached as Exhibit I.

A buyer should understand that development and use of the properties shall comply with all County Codes and Ordinances. If County of Kauai facilities are not already in place, the prospective purchaser is advised that owners in the project will not necessarily receive the same County benefits as owners of approved subdivided lots; owners who develop their properties later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations. Zoning and land use restrictions are subject to change and each purchaser should maintain awareness of such conditions.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
 - a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
AND
 - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other Declaration of Protective Covenants, Conditions and Restrictions for Kalihiwai Ridge Subdivision.

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2013 filed with the Real Estate Commission on
December 21, 1988.

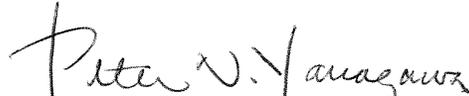
Reproduction of Report. When reproduced, this report must be on:

yellow paper stock

white paper stock

pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

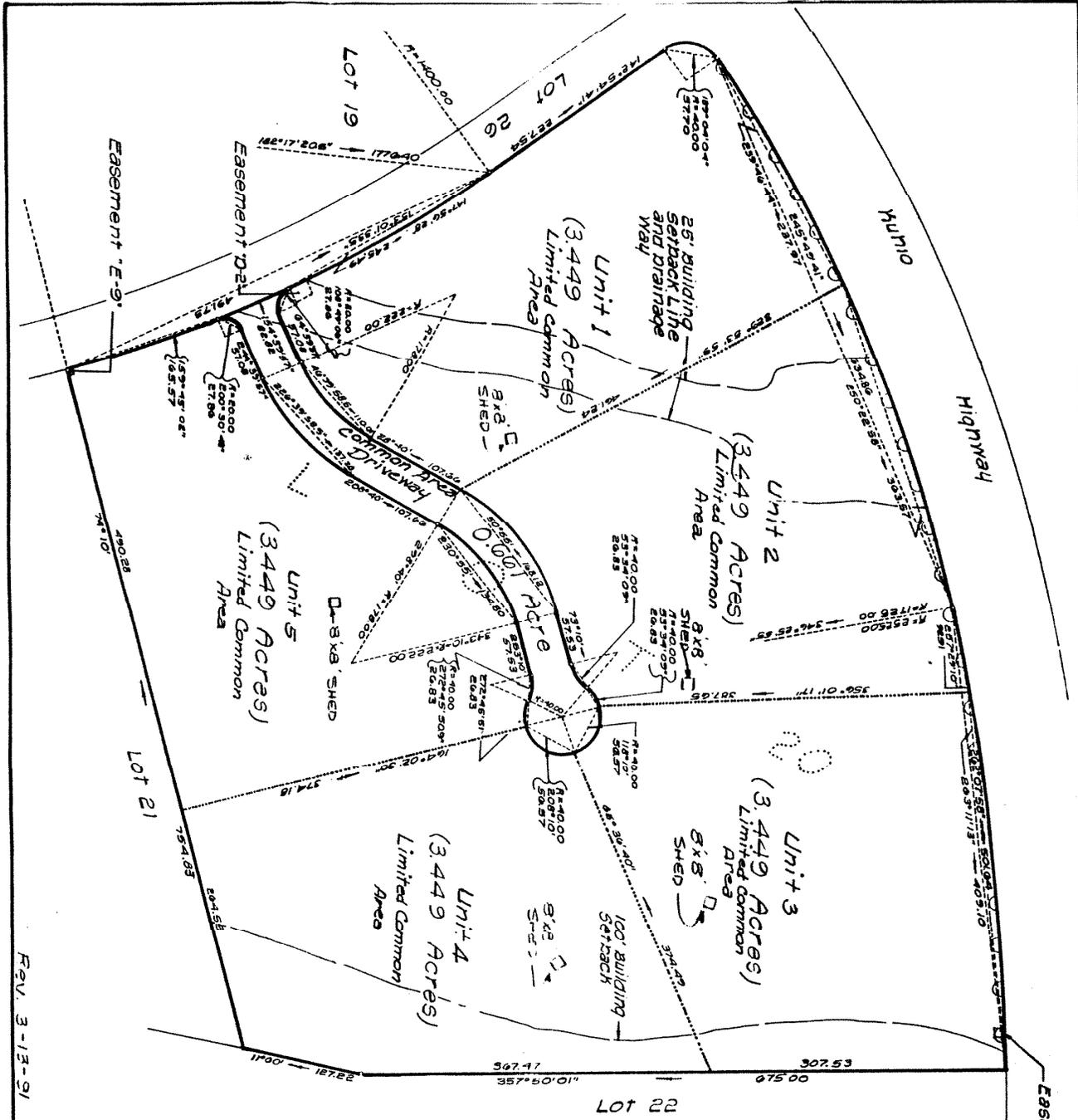


PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, County of Kauai
Planning Department, County of Kauai
Federal Housing Administration

EXHIBIT A



10' x 18" = 1.04 sq. ft.

REV. 3-13-91

True North
Scale: 1 in = 125 ft



PORTUGAL & ASSOCIATES, INC.
This map was prepared by me
or under my direct supervision.

Registered Professional Land Surveyor
Certificate Number 2225-9E
Lihue, Kauai, Hawaii
November 8, 1988
Revised: Feb. 12, 1991

PAKA UA CONDOMINIUM
MAP SHOWING
UNITS 1 TO 5, INCLUSIVE
AND DESIGNATION OF
COMMON AREA DRIVEWAY)
ALL BEING PORTIONS OF LOT
KALIHUWA RIDGE SUBDIVISION
FILE PLAN 1934
KALIHUWA, HANALEI, NAALI, HAWAII

Prepared for: Neal Nortman

T.M.K.: S-2-17: Lot 20
Job No.: 1886

EXHIBIT B

SUMMARY OF SALES CONTRACT

The PAKA-UA Purchase Agreement, (the "contract") contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. The method of payment of the purchase price to the escrow agent, subject to other terms.

2. The closing date for the purchase.

3. Whether at the time of execution of the contract, a final public report has been issued.

4. The terms and conditions of the sale which include, among other provisions, the following:

(a) That Buyer will receive a copy of the final public report for the project.

(b) Buyer agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow Agreement.

(c) After issuance of the Final Public Report and Buyer's waiver of its right to cancel under Hawaii Revised Statutes Section 514A-62, Buyer shall have the right to rescind the contract.

(d) Buyer has received a copy of the Escrow Agreement for the Project.

(e) The unit the buyer is purchasing will be shown on a file plan map prior to closing, and the right to cancel if it is different from that shown on the Exhibit A.

(f) That a deed conveying clear title will be given at closing, subject to certain obligations.

(g) The Purchaser agrees to give future easements if reasonably required for the project.

(h) The purchaser will accept the Unit "AS-IS" unless the contract states to the contrary.

(i) The payment of commissions, if any, is set out in the contract.

(j) Time is of the essence of the obligations of Buyer under the contract.

SPECIAL NOTICE

* * * * *

THE FOREGOING SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE BUYER'S RIGHTS AND OBLIGATIONS, THE BUYER MUST REFER TO THE BUYER'S CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL NOT THIS SUMMARY.

END OF EXHIBIT B

EXHIBIT C

**SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR PAKA-UA CONDOMINIUM**

Qty.	Apt. No.	Area of Limited Common Element (Sq. Ft.)	No. of BR/BATH	Appx Net Living Area (Sq. Ft.)	Appx Storage Shed Area (Sq. Ft.)	% of Common Int.
1	1	3.449 AC	0/0	0	64	20
1	2	3.449 AC	0/0	0	64	20
1	3	3.449 AC	0/0	0	64	20
1	4	3.449 AC	0/0	0	64	20
1	5	3.449 AC	0/0	0	64	20

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use his unit, alter or add to it in any manner he deems desirable, so long as it is permitted by law and the Declaration of Protective Covenants, Conditions, and Restrictions for Kalihiwai Ridge Subdivision. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration of Condominium Property Regime together with their respective signatures. See Exhibit I for cautionary comments from the County of Kauai Planning Department.

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services, Inc. (the "Escrow") and PETER NICKERTZ, MELANIE NICKERTZ; ROY H. WILBURN, JR., KATHLEEN C. WILBURN; KEVIN MATTHEW PULIATCH, KAREN BACON PULIATCH; ALBERT CAMERON BLAYLOCK, SUSAN JANE BLAYLOCK; JAMES LUSKE, MELODIE LUSKE, (the "Seller") contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.

3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Where sales contracts are entered into Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Final Public Report and with notification by Seller that all of the requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under any sales contract.

4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to Section 514A-63, Hawaii

Revised Statutes. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow, but in the aggregate shall not be less than \$25.00.

5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive \$300.00 for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional \$300.00.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, ONE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

END OF EXHIBIT D

EXHIBIT E

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

- (a) Land in fee simple;
- (b) All future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (c) Any and all other elements and facilities in common use or necessary to the existence, upkeep and safety of the Project.

Limited Common Elements of Project

Certain parts of the common elements, herein referred to as the "limited common elements" are hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved as follows:

(a) That certain land area upon and around which Units 1, 2, 3, 4 and 5 are located, shown and designated on the Condominium Map and the table below, are deemed a limited common element appurtenant to and for the exclusive use of each respective unit.

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
1	3.449 acres
2	3.449 acres
3	3.449 acres
4	3.449 acres
5	3.449 acres

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant.

END OF EXHIBIT E

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real property taxes. Check with the Kauai County Tax Assessor for further information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The terms and provisions of that certain Agreement dated March 16, 1977, recorded in Book 12110 Page 330, between the STATE OF HAWAII and C. BREWER AND COMPANY, LIMITED. Re: Use of land (besides other land) for agriculture purposes.
4. A 25-foot and a 100-foot Building Setback Line and Drainage Way situate over and across Lot 20, as delineated on File Plan No. 1934.
5. Restriction of vehicle access along the northerly side of Lot 20, as delineated on said File Plan No. 1934.
6. Easement D-2, area 340 square feet, for drainage purposes, affecting Lot 20, as delineated on said File Plan No. 1934.
7. Easement E-9, area 42 square feet, for electrical purposes, situate at the southerly corner of Lot 20, as delineated on said File Plan No. 1934.
8. Easement E-10, area 42 square feet, for electrical purposes, situate at the northeasterly corner of Lot 20, as delineated on said File Plan No. 1934.
9. Easement L-1, area 0.105 acres, for landscape purposes, situate along the westerly corner of Lot 20, as delineated on said File Plan No. 1934.
10. Declaration of Protective Covenants, Conditions and Restrictions for Kalihiwai Ridge dated October 3, 1988, recorded on October 11, 1988 in Book 22452 Page 429.

11. The terms and provisions of Agreement to Incorporate Agricultural Restrictions into Instruments of Conveyance dated September 30, 1988, recorded on October 11, 1988 in Book 22452 Page 491, between C. BREWER PROPERTIES, INC., a Hawaii corporation, "Subdivider", and the COUNTY OF KAUAI PLANNING DEPARTMENT, "Department".

12. The terms, provisions, covenants, conditions, restrictions, exceptions and reservations contained in Deed dated November 1, 1988, recorded on December 22, 1988 in Book 22688 Page 248.

13. LOT 20 AGREEMENT TO PURCHASE COTENANCY INTEREST

Made by : PAKA UA PARTNERS, a Hawaii General Partnership consisting of NEAL A. NORMAN, MICHAEL R. STRONG, NICHOLAS IAN HOUSEGO and JEANETTE I. QUINN, ALBERT FRANK BLAYLOCK and JANICE LEE BLAYLOCK, husband and wife, WILLIAM STEWART HAMILTON and RHONDA ELIZABETH HAMILTON, husband and wife, ALBERT CAMERON BLAYLOCK and SUSAN JANE BLAYLOCK, husband and wife

Dated : December 9, 1988
Recorded : December 22, 1988 in Book 22688 Page 218

Re : The parties hereto understand and hereby acknowledge that they are purchasing the Property as Co-tenants, subject to all of the terms and conditions of the Sales Contract, with the intent of creating a Condominium Property Regime, to be known as the Paka Ua Agricultural Condominium. Purchasers agree as to general dimensions of the individual Unit portions of the Property to be selected.

14. A final subdivision approval by the County of Kauai or Approval for a Condominium Property Regime by the Department of Commerce and Consumer Affairs, State of Hawaii.

15. AGREEMENT OF SALE (as to an undivided twenty percent 20%)

Seller : PAKA-UA PARTNERS, a Hawaii general partnership

Purchaser : ROY H. WILBURN, JR. and KATHLEEN C. WILBURN, husband and wife, as Tenants by the Entirety

Dated : February 7, 1989
Recorded : February 23, 1989 in Book 22886 Page 329
Purchase Price : \$175,000.00

16. PURCHASE MONEY MORTGAGE (as to an undivided 20% interest)

Mortgagor : PETER J. NICKERTZ and MELANIE NICKERTZ,
husband and wife

Mortgagee : PAKA-UA PARTNERS, a Hawaii general
partnership

Dated : July 25, 1989

Recorded : July 31, 1989 in Book 23463 Page 505

Consideration : \$50,000.00

17. AGREEMENT OF SALE (as to an undivided 20% interest)

Seller : ALBERT FRANK BLAYLOCK and JANICE LEE
BLAYLOCK, husband and wife

Purchaser : KEVIN MATTHEW PULIATCH and KAREN BACON
PULIATCH, husband and wife, as Tenants by
the Entirety

Dated : October 4, 1990

Filed : October 12, 1990 as Document No. 90-158988

Purchase Price : \$240,000.00

18. DECLARATION OF CONDOMINIUM PROPERTY REGIME:

The restrictions on use and all other covenants, agreements, and obligations set forth in the Declaration of Condominium Property Regime dated April 19, 1991, recorded in the Bureau of Conveyances of the State of Hawaii in Document No. 91-061853 as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1496).

19. BYLAWS:

Bylaws of the Association of Apartment Owners of the Condominium Project known as "PAKA UA CONDOMINIUM" dated April 19, 1991 recorded in the Bureau of Conveyances of the State of Hawaii in Document No.91-061853.

20. FARM DWELLING AGREEMENT

By and between James Luske, Melodie Luske and the County of Kauai, recorded on January 23, 1991 at the Hawaii Bureau of Conveyances in Document No. 91-008592.

21. FARM DWELLING AGREEMENT

By and between Kevin Matthew Puliatch and Karen Bacon Puliatch, and the County of Kauai, recorded on March 6, 1991 at the Hawaii Bureau of Conveyances in Document No. 91-029336.

END OF EXHIBIT F

EXHIBIT G

DISCLOSURE ABSTRACT FOR
PAKA-UA CONDOMINIUM

Pursuant to Hawaii Revised Statutes Section 514(A)-61, the developer of PAKA-UA Condominium makes the following disclosures:

1. The developer of the project is NEAL NORMAN, P.O. Box 607, Hanalei, HI 96714, 826-9622.
2. See Exhibit H for the projected annual maintenance fees. The developer hereby certifies that the estimations have been based on generally accepted accounting principles.
3. No warranty will apply to any individual agricultural unit. There are pre-existing structures on the property and no warranty will be made regarding the agricultural buildings.
4. No condominium units will be used for both hotel and residential use; these are condominium units in which residential use is permitted, but hotel use is not.
5. There will be no commercial use except those activities permitted by the Kauai County Comprehensive Zoning Ordinance.



NEAL NORMAN

Dated: 3-22, 1991

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Exhibit H this _____ day of _____, 19__.

Purchaser(s)

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
Unit 1	\$ 62.00	\$744.00
Unit 2	62.00	744.00
Unit 3	62.00	744.00
Unit 4	62.00	744.00
Unit 5	62.00	744.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

[] common elements only

[] common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

100.00

1200.00

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

50.00

600.00

Payroll and Payroll Taxes

Office Expenses (Bookkeeping)

25.00

300.00

Insurance

85.00

1020.00

Reserves

50.00

600.00

Taxes and Government Assessments

Audit Fees

Other

TOTAL

\$310.00

\$3720.00

We, NEAL Norman, as
developer for the condominium project, hereby certify that the above estimates of initial
maintenance fee assessments and maintenance fee disbursements were prepared in accordance
with generally accepted accounting principles.

See above signature _____

Date: March 22, 1991

EXHIBIT I

JOANN A. YUKIMURA
MAYOR



TOM H. SHIGEMOTO
PLANNING DIRECTOR

ROLAND D. SAGUM, III
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

COUNTY OF KAUAI
PLANNING DEPARTMENT
4280 RICE STREET
LIHUE, KAUAI, HAWAII 96766

February 6, 1989

FEB 1989
RECEIVED
DCCA-REG

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
P. O. Box 3469
Honolulu, Hawaii 96801

Subject: Comments on Paka-Ua Condominium Report
Registration No. 2013 at Kilauea, Kauai, Hawaii

Thank you for allowing this opportunity to comment.

After reviewing the subject document, we have the following comments to offer:

The number of limited common elements corresponds to the allowable unit density. The subject property is zoned Agriculture District (A) and Open District (O) and qualifies for five (5) units.

When applying for Zoning Permits with the Planning Department, the owners must be made aware that 75% of the owners, or their assignee, are required to sign the permit form. Should an assignee be designated, such assignee shall present proof of authorization from the 75% of the owners at the time a permit is applied for. This is a requirement because the Planning Department does not recognize the Condominium Report to be a legal subdivision of land.

The uses on the limited common elements shall be limited to those listed as permissible within the "A" Agricultural District in the State Land Use Commission Rules and Regulations. Farm dwellings on the lot shall mean a single-family dwelling located on and used in connection with a farm or where agricultural activity provides income to the family occupying the dwelling.

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Page 2
February 6, 1989

There should be a disclosure provision written into this and all ensuing condominium reports stating that approval of the report should not be misconstrued to mean that all County Codes and Ordinances have been complied with. Subsequent development and use shall comply with all applicable County Codes and Ordinances. It should also be made clear that the Horizontal Property Regime (HPR) does not necessarily mean that all County requirements pertaining to subdivision of lands have been met. Therefore, such facilities/improvements that are normally associated with County-approved subdivisions such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emerging traffic, drainage facilities, etc., may not necessarily be provided for. Further, such services as County street maintenance and trash collection will not be available for interior road/roadways.

Should you have any questions, please feel free to contact Keith Nitta of my staff at 245-3919.


TOM H. SHIGEMOTO
Planning Director